



Monthly Bulletin

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July 2008

Directors Institute - The Role of the Modern Bank Director

Commissioner William S. Haraf will be making a presentation on the challenges facing the industry and California banking at the Western Independent Bankers Directors Institute workshop, The Role of the Modern Bank Director, which is co-sponsored by the California Independent Bankers. The one-day program will be held on August 15 at the Manchester Grand Hyatt in San Diego.

The workshop, led by John Oliver, Laurel Management Systems, focuses on the 10 Essentials of Great Governance. Rapid change, intense competition, and a challenging regulatory, economic and credit environment require bank board members to be even more diligent in their fiduciary responsibilities. This workshop is appropriate for both new and seasoned bank directors.

For more information on the workshop, please contact WIB at 415-352-2323 or visit http://www.wib.org/conferences_education/the_modern_bank_director_workshops/.

Commission Haraf will also be speaking at the American Association of Bank Directors/Western Independent Bankers Annual Directors Conference on Nov. 6, in San Francisco. He will be part of a panel entitled "A Dialogue with the Regulators on Asset Quality" also featuring representatives of the FDIC and OCC. More information on this Annual Conference can be found at http://wib.org/conferences_education/directors_conference/index.html.

DFI Attends FRB Foreclosure Symposium

The Department of Financial Institutions attended the Federal Reserve sponsored symposium, Stabilizing Communities: Addressing the Negative Impacts of Foreclosure held on July 15 and 16 in Hollywood, California.

The goal of the FRB Symposium was to discuss models and strategies for partnerships between governments, community-based organizations, servicers, and lenders to help one another turn real estate owned (REO) properties into homeownership opportunities.

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According to the Federal Reserve Bank of San Francisco (FRBSF), foreclosures have dramatically increased in specific areas of California between September 2007 and April 2008. The high concentrations of foreclosures and REO properties that currently exist threaten families, neighborhoods, labor markets, and municipal budgets.

Janet L. Yellen, the President and CEO of the FRBSF, stated in her keynote speech:

Our goal should be to keep existing owners in their homes wherever possible as a way of avoiding the significant costs of foreclosure. The scale of the loan modifications and repayment plans to date are small compared to the volume of loans that are 60 or more days delinquent—an estimated 186,000 loans in California alone. It is critical that we continue to explore a broader range of interventions that would help keep families in their homes, including efforts to give servicers more flexibility in the loan modification process.

Additionally, FRBSF President Yellen encouraged attendees to share their ideas, successes, and failures across sectors to find solutions for redeveloping foreclosed properties and affordable homeownership.

DFI applauds Yellen's cooperative approach. Recently the Department has used email broadcasts to provide information and opportunities to licensees. In July, DFI posted information on its Web site on the new Community Stabilization Home Loan Program, a special program available from the California Housing Finance Agency (CalHFA) designed to help first-time homebuyers purchase homes in communities hardest hit by the foreclosure crisis. Under the program, first-time homebuyers will be eligible for below-market interest rate loans to purchase foreclosed homes in ZIP codes with some of the state's highest foreclosure rates. On August 4, DFI emailed licensees information on how to participate in the CalHFA program by providing qualifying properties they hold in their portfolios in order to utilize foreclosed homes as affordable housing opportunities.

Numerous models and strategies proposed during panel discussions for renovation financing and partnerships were shared at the Symposium. Each model and strategy was designed with a specific geographic area in mind, as it is understood that the approach to a solution depends on the geographical context.

The DFI encourages licensees to investigate some of these ideas. You may find Symposium content, including the Keynote Speech and PowerPoint presentations on the FRB St. Louis Web site, http://stlouisfed.org/RRRSeries/event_2.html.

The FRB stated they will continue the discussions on improving communication and creating responses to the volume and concentrations of foreclosures through sponsorship of a series of forums entitled Recovery, Renewal, Rebuilding.

To learn more about these forums please contact the FRB or visit the RRR Web site, <http://stlouisfed.org/RRRSeries>.

Deposit Insurance and DFI Licensees

The Department of Financial Institutions (DFI) would like to remind concerned financial institution customers that their deposits and shares in state-chartered banks and credit unions are insured.

Commercial and Industrial Banks

Deposits in all commercial and industrial banks are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC), an agency of the federal government. If you or your family has more than \$100,000 at one insured institution, you can still be fully insured if your accounts meet certain requirements.

Federal law provides up to \$250,000 in insurance coverage for deposits held in Individual Retirement Accounts (IRAs).

To check your deposit insurance coverage, visit the FDIC's Electronic Deposit Insurance Estimator (EDIE) at <http://www.fdic.gov/edie/>. And to learn more about your insured deposit, go to <http://www.fdic.gov/deposit/deposits/insuringdeposits/index.html>.

Credit Unions

Shares (deposits) in approximately 91% of state-chartered credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration (NCUA), which is an agency of the federal government. The other nine percent are insured by American Share Insurance (ASI), a private insurer.

National Credit Union Share Insurance Fund (NCUSIF)

NCUSIF insured deposits are insured to the same extent that bank deposits are insured by the FDIC. To check your share insurance coverage, visit the NCUA's Share Insurance Estimator at <http://webapps.ncua.gov/ins/>. And to learn more about your insured shares, go to <http://www.ncua.gov/ShareInsurance/index.htm>.

American Share Insurance (ASI)

ASI insures each account of a credit union member to \$250,000, without limit to the number of accounts a member may have. ASI is licensed by the Ohio Department of Insurance and dual regulated by the Ohio Departments of Insurance and Commerce. ASI is not an agency of the federal government. For more information about ASI, visit their web site at <http://www.americanshare.com/Public/Home.aspx>.

Personnel Change in the Credit Union Program

Don Proctor Promoted to Financial Institutions Manager

Don Proctor was promoted to Financial Institutions Manager effective July 21, 2008. Mr. Proctor received his Bachelor of Science degree in Accounting from California State University, Fullerton, in

1979. He has over 28 years in examining financial institutions. His background includes examining credit unions for the past two decades and examining industrial loan companies back in the 1980s with the Department of Corporations (DOC). In 1984, Mr. Proctor passed all four parts of the Certified Public Accountant examination. In 2002, he received his Certified Examiner status from the National Association of State Credit Union Supervisors (NASCUS). In 2003, he passed the Certified Fiduciary and Investment Risk Specialist examination. Mr. Proctor transferred from the DOC as a Range C Examiner, until April 2002 when he was promoted to the Senior Financial Institutions Examiner position. He was promoted as a Financial Institutions Supervisor in June 2008, followed by his promotion as a Financial Institutions Manager in July 2008.

Mr. Proctor is headquartered in the Los Angeles office.

NCUA Liquidates Cal State 9 Credit Union

The National Credit Union Administration (NCUA) liquidated Cal State 9 Credit Union of Concord. The Cal State 9 Credit Union liquidation and purchase and assumption by Patelco Credit Union had been announced May 22, and was completed on July 1, 2008.

Commercial Bank Activity

New Bank

Global Trust Bank
700 E. El Camino Real, Mountain View, Santa Clara County
Correspondent: Russell W. Bushore
Carpenter & Company
Five Park Plaza, Suite 950
Irvine, CA 92614
(949) 261-8888
Approved: 6/4/08

Pacific Commonwealth Bank (Name changed from Pacific Commercial Bank)
1731 Technology Drive, San Jose, Santa Clara County
Correspondent: James H. Avery
The Avery Company LLC
P.O. Box 3009
San Luis Obispo, CA 93403
(805) 544-5477
Approved: 7/24/08

New Bank (Continued)

Vibra Bank

530 Broadway, Chula Vista, San Diego County

(619) 422-5300

Officers: Scott Parker, President and Chief Executive Officer

Gary Housman, Executive Vice President, Chief Credit Administration

M. Catherine Wright, Chief Financial Officer

Capitalization: \$14,777,300.00

Website: <http://www.vibrabank.com>

Opened: 7/1/08

Merger

Service 1st Bank, Stockton, to merge with and into Central Valley Community Bank

Filed: 7/3/08

Spectrum Bank, Montebello, to merge with and into Professional Business Bank, Pasadena

Effectuated: 7/3/08

Industrial Bank Activity

New Industrial Bank

CapitalSource Bank

300 North Lake Avenue, Pasadena, Los Angeles County

(714) 961-5000

(714) 961-2254 (fax)

Officers: D. Tad Lowrey, President and Chief Executive Officer

John Bogler, Executive Vice President and Chief Financial Officer

Chris Scardelletti, Executive Vice President and Chief Credit Officer

Capitalization: \$921,000,000.00

Website: <http://www.capitalsourcebank.com>

Opened: 7/25/08

Purchase of Partial Business Unit

CapitalSource Bank, Pasadena, to acquire 22 branch offices of Fremont Investment & Loan, Brea

Effectuated: 7/25/08

Sale of Business Unit

Fremont Investment & Loan, Brea, to sell whole business unit to CapitalSource Bank, Pasadena

Filed: 5/14/08

Approved: 5/29/08

Effectuated: 7/25/08

Premium Finance Company Activity

New Premium Finance Company

Red Rock Premium Finance Co., Inc.
8530 La Mesa Boulevard, La Mesa, San Diego County
Filed: 7/15/08
Approved: 7/23/08

Tepco Premium Finance of California Inc.
500 South Kraemer Avenue, Brea, Orange County
Filed: 7/16/08
Approved: 7/29/08

Tristan Capital Group, Inc.
2029 Century Park East, City and County of Los Angeles
Filed: 7/15/08
Approved: 7/30/08

Change of Name

DG Holdings, to change its name to DG Holdings, Inc. DBA LG Premium Finance
Effected: 6/24/08

Trust Company Activity

Merger

Mellon Trust of California, Los Angeles, to merge with and into BNY Mellon, National Association, Pittsburgh, Pennsylvania
Effected: 6/30/08

Foreign (Other Nation) Bank Activity

Discontinuance

Calyon
515 South Flower Street, City and County of Los Angeles
(Wholesale Branch Office)
Discontinued: 6/30/08

Credit Union Activity

Bylaw Amendment

Two credits union received approval for three bylaw amendments during June 2008.

Field of Membership

Two credit unions received approval to add four new fields of membership during June 2008.

Merger

California Preferred Credit Union, San Francisco, to merge with and into Redwood Credit Union, Santa Rosa

Effected: 7/10/08

Transmitter of Money Abroad Activity

Acquisition of Control

Luis Escheverria, to acquire control of JOM Corp.

Filed: 7/28/08

Voluntary Surrender of License

American Express Travel Related Services Company, Inc.

Effected: 5/12/08

Payment Instrument Activity

Voluntary Surrender of License

American Express Travel Related Services Company, Inc.
Effected: 7/3/08

WILLIAM S. HARAF
Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code section 258



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